

Fall 2019 Semester Closing Note to My Students

By Don Sutherland

At the end of each semester, I provide my students with a closing note about the course. That note seeks to place the course, its content, and its requirements into a larger context. I do so, because I believe it is helpful for students to have one last opportunity to understand why they took the course and perhaps better identify what they might have gained from the course. Such understanding can perhaps reinforce learning for the long-term.

Below is the note to my fall 2019 students:

Dear Student,

With the semester is concluding, it is time to share some thoughts and insights to place this course into a larger context.

During the past semester, one recurring theme concerned the need for managers and companies to remain alert to changes taking place within the environment in which they operate. No company, no matter how large, is an entity unto itself. It is part of a larger interconnected ecosystem that includes all of its stakeholders and competitors. That ecosystem is often influenced by great forces over which companies have little or no influence.

A second major theme concerned the qualities of leadership. Senior managers are tasked with charting the strategic direction for the companies they run, keeping their companies on an ethical course, providing value to their stakeholders, and living by the values their companies embrace.

The world of today is awash in change. Scientists, entrepreneurs, and leaders are pushing the frontiers of innovation in a dizzying array of fields. Such advances are improving the human condition all across the globe.

At the same time, anthropogenic climate change is continuing to advance. On its present path, the world is at increasing risk of committing to a temperature rise in excess of 1.5°C. Such an outcome will have large and often adverse implications for businesses.

Further, illiberal and often divisive populist movements have gained ground in various parts of the world, including in the United States. These movements are seeking to topple often hard-won, long-established principles and assumptions tied to human dignity, voluntary exchange (markets), and evidence-based decision making within and beyond the realm of science.

As a result, the current generation of business leaders, if not one or more succeeding ones (including at least some of you), will likely face moments of adversity, temptations for taking politically-expedient courses, and demands to abandon the values of their firms.

What kind of leaders can guide and grow their companies in such a demanding environment? The empirical literature and material provided in the course provide clear insight for just such a situation. The senior managers who lead their companies in an ethical fashion and who embrace a definition of inclusivity that covers all people everywhere from all backgrounds will be the ones who are most likely to succeed.

Appeasing illiberal or populist elements might provide short-term benefit for some companies, but such benefit if it is realized at all will be fleeting. Illiberalism and populism are not sustainable in the long-run. As they divide and devalue people and undermine free choice, they cannot adequately provide for people's basic needs, much less aspirations. They undermine market function, reduce opportunities, and breed social dissatisfaction.

The business leaders who withstand the illiberal and populist headwinds of today will be good stewards for their companies and protectors of the brands that give their companies sustainable competitive advantages. On account of their leadership, their companies will be well-positioned to provide superior value to all of their stakeholders over the long-run.

Finally, as the semester comes to a close, you should appreciate the reality that you know far more than you believe you do. You should also understand that you are capable of far greater things than you might believe. You matter. The choices you make will matter far beyond yourself. You are truly ready to begin the rest of your life's journey.

This course provided a starting point for that journey, one that can lead toward strategic management responsibility over time. Going forward, it will be up to each one of you to build upon its framework from future study, career progress, and life experience.

I wish all of you much success in your professional and personal lives.